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Hearing Date: November 29, 2007 at 10 a.m.  
Response Date: November 21, 2007

*COUNSEL FOR MORGAN ADVANCED  
CERAMICS/DIAMONEX*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	:
	: Chapter 11
DELPHI CORPORATION., <u>et al.</u> ,	:
	: Case No. 05-44481 (RDD)
	:
Debtor.	: (Jointly Administered)
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**MORGAN ADVANCED CERAMICS/DIAMONEX RESPONSE  
TO TWENTY-SECOND OMNIBUS CLAIMS OBJECTION**

Morgan Advanced Ceramics/Diamonex (“Morgan”), through undersigned counsel, hereby responds in opposition to the Debtors’ Twenty-Second Claims Objection (the “22<sup>nd</sup> Objection”) as follows:

1. The Debtors scheduled Morgan as having a claim in the amount of \$543,530.24. See Case No. 05-44640, Schedule F, page 289 of 1153.
2. Morgan timely filed its proof of claim (the “Morgan Claim”) dated July 24, 2006 in the amount of \$550,547.81. See **Ex. A** for a copy of the Morgan Claim. The Morgan Claim is claim number 11534. The Morgan Claim attached relevant back-up information.

3. The Morgan Claim asserted a right of recoupment. Morgan and the Debtors engaged in various discussions in an effort to resolve the recoupment claim. See correspondence between the parties attached hereto as **Ex. B**. During these discussions, additional information was exchanged between the parties.

4. The attachments hereto provide a brief and concise statement of the factual basis and legal support for the Morgan Claim.

5. The 22<sup>nd</sup> Objection seeks to disallow the Morgan Claim on the basis of “Books and Records,” without any further explanation.

6. Morgan has established a *prime facie* claim, and the Morgan Claim should be allowed.

**Wherefore**, Morgan requests that the Court deny the 22<sup>nd</sup> Objection with respect to the Morgan Claim, that the Morgan Claim be allowed, and grant such other relief as is just and proper.

Dated: November 20, 2007

Respectfully submitted,

/s/ Paul M. Rosenblatt  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 20th day of November, 2007 a copy of the foregoing pleading was served by **Federal Express Overnight** on the parties listed below:

Dated: November 20, 2007

KILPATRICK STOCKTON LLP

/s/ Paul M. Rosenblatt

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